

**WorldHarvest**  
Financial Statements  
December 31, 2022 and 2021

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of:  
WorldHarvest

### **Opinion**

I have audited the accompanying financial statements of WorldHarvest (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WorldHarvest as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of WorldHarvest and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WorldHarvest's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

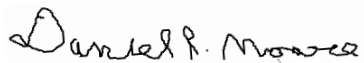
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WorldHarvest's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WorldHarvest's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Emphasis of a matter - Adoption of ASU 2016-02, leases**

WorldHarvest adopted the Accounting Standards Update (ASU) 2016-02, leases during the year ended December 31, 2022. This standard requires all leases over one year in length be report as Right of Use Asset and a Right of Use Liability. The December 31, 2021 Statement of Financial Position has been modified from the prior year with a \$50,399 Right of Use Asset and a Right of Use Liability of \$50,399 recorded. This had no effect on income or net assets.



Tempe City, CA  
March 4, 2023

**WORLDHARVEST**  
STATEMENTS OF FINANCIAL POSITION

**ASSETS**

	December 31,	
	2022	2021
<b>Current assets:</b>		
Cash	\$ 401,877	\$ 606,101
Accounts receivable - IFGF church	-	10,148
Accounts receivable	-	2,255
Prepaid rent - IFGF Church	14,901	14,035
Right of use assets - office lease current portion	15,600	15,600
<b>Total current assets</b>	<b>432,378</b>	<b>648,139</b>
<b>Office equipment and improvements</b>		
Office equipment	55,912	31,463
Building improvements	15,882	15,882
Less: accumulated depreciation	(25,016)	(17,910)
<b>Net office equipment and improvements</b>	<b>46,778</b>	<b>29,435</b>
<b>Other Assets:</b>		
Investments	350,453	-
Right of use assets - office lease non current portion	19,139	34,739
Prepaid rent none current portion - IFGF Church	3,505	18,407
<b>Total other assets</b>	<b>373,097</b>	<b>53,146</b>
<b>Total assets</b>	<b>\$ 852,253</b>	<b>\$ 730,720</b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>		
Accounts payable & accrued expenses	63,266	44,805
Payroll taxes payable	13,416	7,822
Right of use liability - office lease - current portion	15,600	15,600
<b>Total current liabilities \ Total liabilities</b>	<b>92,282</b>	<b>68,227</b>
<b>Long-term liabilities:</b>		
Right of use liability - office lease - non current portion	19,139	34,739
<b>Total long-term liabilities</b>	<b>19,139</b>	<b>34,739</b>
<b>Total liabilities</b>	<b>111,421</b>	<b>102,966</b>
<b>Net assets:</b>		
Without donor restrictions	330,353	516,481
Without donor restrictions - quasi endowment	342,610	-
Total without donor restrictions	672,963	516,481
With donor restrictions	67,869	111,273
<b>Total net assets</b>	<b>740,832</b>	<b>627,754</b>
<b>Total liabilities and net assets</b>	<b>\$ 852,253</b>	<b>\$ 730,720</b>

*The accompanying notes are an integral part of these financial statements.*

**WORLDHARVEST**  
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Without Donors Restrictions	With Donors Restrictions	Total	Without Donors Restrictions	With Donors Restrictions	Total
<b>Support and revenue:</b>						
Sponsor - A - Child donations	\$ -	\$ 271,615	\$ 271,615	\$ -	\$ 243,569	\$ 243,569
Contributions	514,515	438,896	953,411	311,045	528,758	839,803
IFGF church contributions	78,012	-	78,012	62,796	-	62,796
In-Kind donations	-	-	-	6,798	-	6,798
Investment income	(7,390)	-	(7,390)	-	-	-
Interest income	1,645	-	1,645	2,400	-	2,400
Total support and revenue	586,782	710,511	1,297,293	383,039	772,327	1,155,366
Net assets released from restrictions due to satisfaction of purpose	751,915	(751,915)	-	729,264	(729,264)	-
Total support and revenue	1,338,697	(41,404)	1,297,293	1,112,303	43,063	1,155,366
<b>Expenses:</b>						
Program services	928,415	-	928,415	695,972	-	695,972
Supporting activities:						
Management & general	205,809	-	205,809	139,719	-	139,719
Fundraising	49,991	-	49,991	36,577	-	36,577
Total expenses	1,184,215	-	1,184,215	872,268	-	872,268
<b>Change in net assets</b>	154,482	(41,404)	113,078	240,035	43,063	283,098
<b>Net assets at beginning of year</b>	516,481	111,273	627,754	276,446	68,210	344,656
<b>Net assets at end of year</b>	\$ 670,963	\$ 69,869	\$ 740,832	\$ 516,481	\$ 111,273	\$ 627,754

*The accompanying notes are an integral part of these financial statements.*

**WORLDHARVEST**  
STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2022				Year Ended December 31, 2021			
	Program Services	Management & General	Fund- Raising	Total Expenses	Program Services	Management & General	Fund- Raising	Total Expenses
Salaries	\$ 110,250	\$ 115,378	\$ 30,768	\$ 256,396	\$ 90,981	\$ 81,091	\$ 25,712	\$ 197,784
Payroll taxes	7,009	7,335	1,955	16,299	5,800	5,169	1,639	12,608
Meals & entertainment	4,735	4,955	1,321	11,011	3,821	3,405	1,080	8,306
Merchant fees & bank charges	-	9,819	-	9,819	-	17,537	-	17,537
Miscellaneous expense	-	166	-	166	-	368	-	368
Fundraising	-	-	-	-	-	-	265	265
Gifts & hospitality	5,441	5,694	1,519	12,654	1,470	1,310	416	3,196
Insurance	1,619	1,694	452	3,765	1,449	1,291	409	3,149
Newsletter & other printing	4,682	4,900	1,307	10,889	935	833	264	2,032
Office supplies & expenses	11,167	11,687	3,116	25,970	9,399	8,378	2,656	20,433
Postage	1,649	1,725	460	3,834	358	319	102	779
Telephone	4,377	4,581	1,221	10,179	1,576	1,405	446	3,427
Grants	342,368	-	-	342,368	223,361	-	-	223,361
Travel	10,320	10,800	2,880	24,000	3,977	3,544	1,124	8,645
Rent	8,837	9,248	2,465	20,550	7,176	6,396	2,028	15,600
Accounting & legal	-	8,350	-	8,350	-	7,300	-	7,300
Relief	405,276	-	-	405,276	341,744	-	-	341,744
Marketing	1,629	-	-	1,629	2,384	-	-	2,384
Website	3,251	3,402	907	7,560	-	-	-	-
Depreciation	4,676	4,894	1,305	10,875	1,079	961	305	2,345
Membership	1,129	1,181	315	2,625	462	412	131	1,005
<b>Total expenses</b>	<u>\$ 928,415</u>	<u>\$ 205,809</u>	<u>\$ 49,991</u>	<u>\$ 1,184,215</u>	<u>\$ 695,972</u>	<u>\$ 139,719</u>	<u>\$ 36,577</u>	<u>\$ 872,268</u>

*The accompanying notes are an integral part of these financial statements.*

**WORLDHARVEST**  
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2022	2021
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 113,078	\$ 240,035
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,875	2,345
Amortization of prepaid rent	14,036	13,220
Imputed interest income	(1,565)	(815)
Imputed rent expense	1,565	815
PPP loan forgiveness not using cash	-	(24,290)
Unrealized loss on investments	10,472	-
Contributed improvements	-	(6,798)
(Increase) decrease in:		
Accounts receivable	10,148	(10,148)
Donations receivable	2,255	13,850
Increase (decrease) in:		
Accounts payable & accrued expenses	24,055	49,109
<b>Net cash provided by operating activities</b>	<b>184,919</b>	<b>277,323</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(360,925)	-
Purchased equipment & improvements	(28,218)	(20,976)
<b>Net cash provided (used) by investing activities</b>	<b>(389,143)</b>	<b>(20,976)</b>
<b>Net Increase in cash</b>	(204,224)	256,347
Cash at beginning of year	606,101	306,691
Cash at end of year	<b>\$ 401,877</b>	<b>\$ 606,101</b>

*The accompanying notes are an integral part of these financial statements.*

**WORLDHARVEST**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**1. NATURE OF ORGANIZATION**

Programs of WorldHarvest (a nonprofit corporation) began in December of 1989 as part of Indonesian Harvest Outreach (IHO). In 2001, WorldHarvest was chartered as a religious nonprofit corporation in California. Program activity of IHO was transferred to WorldHarvest with the intent of providing community, educational, and media services. WorldHarvest is affiliated with the International Full Gospel Fellowship (IFGF) of Monrovia, California and its member churches. Services are provided through WorldHarvest partners primarily in Indonesia, Saudi Arabia, Afghanistan, Uganda, Sierra Leone, Kenya, Tanzania, Sudan, South Africa, India, Pakistan, Ukraine, Zimbabwe, Malawi, Ethiopia, Italy, Afghanistan, and Nepal.

The scope of these financial statements is limited to the Corporate Office of WorldHarvest. The financial activity of the IFGF of Los Angeles, California, the various IFGF churches and the associated overseas partners are not incorporated with WorldHarvest.

WorldHarvest is exempt from income tax under Internal Revenue Code Section 501(c)(3). In addition, WorldHarvest qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). WorldHarvest is also exempt from state income tax under section 23701d of the California Revenue and Taxation Code.

Individuals, churches, and other nonprofit corporations throughout the United States support WorldHarvest. A portion of WorldHarvest's support comes from sixteen member church congregations of the IFGF in the United States and Canada. These churches generally remit 4% of their total receipts excluding capital funds, bequests, and restricted contributions to WorldHarvest.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting**

WorldHarvest uses accrual basis accounting and also follows the standards of Accord Network, formally known as Association of Evangelical Relief and Development Organizations (AERDO), in recording gifts-in-kind.

**Cash**

Cash is cash in bank checking and savings accounts.

**Investments**

Investments consist of shares of equity funds, exchanged traded funds, and a federal savings bond. The equity funds are carried at fair value, which is based on quoted market prices. The federal saving bond is reported at cost and cost is very close to fair value. Realized and unrealized gains and losses and losses are reported as investment income without donor restrictions in the statement of activities unless restricted by donor.



**WORLDHARVEST**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**Promises receivable**

Unconditional promises to give are recognized as revenue or gains in the period received as either assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There are no such receivables at December 31, 2022 or 2021.

WorldHarvest uses the allowance method to determine uncollectible unconditional promises receivable. The allowance method is based on prior years' experience and management's analysis of specific promises made.

**Office equipment**

Equipment and improvements are capitalized at cost, or estimated fair market value at date of gift, and depreciated on a straight-line basis over the estimated useful lives of 3 to 5 years for equipment.

Absent donor directions regarding how long those donated assets must be maintained, WorldHarvest reports expirations of donor restrictions when the donated or acquired assets are placed in service.

**Functional allocation of expenses**

The cost of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefits primarily on estimates of time and effort.

**Contributions, restricted contributions, and reclassifications**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

**Classes of net assets**

Net assets without restrictions include amounts available to be used at the discretion of the board of directors in the organization's programs and operations and those resources invested in equipment. Net assets with restrictions on a temporary basis are those that are restricted by donors for specific operating purposes. Net assets with permanent restrictions are those that represent endowments where it is stipulated by donors that the principal remain in perpetuity and only the income is available for use in unrestricted or temporarily restricted purposes in accordance with donor intentions. All donations are considered available for unrestricted use unless specifically restricted by the donor.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**WORLDHARVEST**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**Contributed services and products**

In 2021 window blinds with a value of \$6,798 were contributed to WorldHarvest. The blinds were donated by a company whose business is selling window blinds and valuation is based on what would have been the actual selling price.

**Contributed services and products continued**

During the year ended December 31, 2022 and 2021 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**Statement of Cash Flows**

This statement reflects inflows and outflows of cash, summarized by operating, investing, and financing activities. The statement of cash flows is prepared using the indirect method. For purposes of the statement, cash consists of bank checking and savings accounts.

**Fair value of financial instruments**

Carrying values of certain financial instruments, including cash, accounts receivable, accounts payable, and accrued expenses approximated their fair values due to the short-term nature of these financial instruments.

**Adoption of ASU 2016-02, leases**

WorldHarvest adopted the Accounting Standards Update (ASU) 2016-02, leases during the year ended December 31, 2022. This standard requires all leases over one year in length be report as Right of Use Asset and a Right of Use Liability. See Note 7 for additional disclosure.

**3. ACCOUNTS RECEIVABLE AND DONATIONS RECEIVABLE**

At December 31, 2021, \$10,418 of accounts receivable is due from the IFGF Los Angeles church and IFGF Headquarters for shared costs.

**4. PREPAID RENT – IFGF CHURCH AND OTHER IFGF TRANSACTIONS**

An agreement, dated March 1, 2016, with the Los Angeles IFGF church modified a note receivable.

The agreement reclassified the note receivable from the Los Angeles IFGF church to prepaid rent to be utilized over the period of March 1, 2016 to March 1, 2024 for space occupied by WorldHarvest. WorldHarvest records monthly rent expense of \$1,300. The prepaid rent is amortized assuming a 6% interest rate. The equivalent of a principal payment reduces the asset. The interest element is recorded as interest income on a monthly basis.

WorldHarvest and the Los Angeles IFGF church share some other minor additional costs such as telephone phone expenses.

**WORLDHARVEST**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**5. INVESTMENTS**

As noted in the following table, investments consist of the shares in equity funds and exchange traded funds. The publicly traded securities are carried at their quoted market value on December 31, 2022.

	<u>2022</u>
Federal saving bond	\$ 10,000
Equity funds	\$68,422
Exchange traded funds	<u>272,031</u>
	<u>\$350,453</u>

The Federal savings bond has an interest rate of approximately 9.62% per year and a maturity date of October 1, 2052.

Investment income consists of the following for the years ended December 31, 2022:

	<u>2022</u>
Unrealized gains (losses) on investments	\$(10,472)
Realized gains on investments	---
Interest and dividends	3,560
Investment management fees	<u>(478)</u>
Totals	<u>\$ (7,390)</u>

**6. PPP LOAN PAYBLE**

A loan of \$24,290 was obtained from the U.S. Small Business Administration under the Paycheck Protection Program (PPP). The interest rate is 1% per annum. This loan was forgiven under this PPP program policies during the December 31, 2021 year and has been recorded as income.

**7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes for the years ended December 31:

	<b><u>Program</u></b>	<u>2022</u>	<u>2021</u>
Disaster relief		\$ 69,747	\$69,747
Sponsor a child		17,566	23,891
Sponsor a child – reserve		<u>12,318</u>	<u>17,635</u>
Total		<u>\$69,869</u>	<u>\$111,273</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the years ended December 31:

	<b><u>Program</u></b>	<u>2022</u>	<u>2021</u>
Disaster relief		\$476,541	\$435,739
Sponsor a child		270,480	241,267
Sponsor a child – reserve		5,149	---
Stop Hunger		(255)	44,675
Summer Missions		<u>---</u>	<u>7,583</u>
Total		<u>\$751,915</u>	<u>\$729,264</u>

**WORLDHARVEST**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**8. OPERATING LEASE – RIGHT OF USE ASSET AND LIABILITY**

WorldHarvest has a lease on an office building in Monrovia, California. The monthly rental rate is \$1,300 from March 1, 2016 to March 1, 2024. Rent is not paid in cash because the \$100,000 note receivable was converted to prepaid rent and will be amortized as monthly rent. Therefore, no future rent schedule is presented. Rent expense for the years ended December 31, 2022 and 2021 was \$15,600 and \$15,600 respectively. See Note 4 for additional details on this lease and the related party – IFGF.

This lease is reported as a Right of Use Assets – Building as an intangible asset with an unamortized value at December 31, 2022 of \$34,739 and \$50,339 at December 31, 2021. Also, a Right of Use Asset - Lease Liability of \$34,739 for the year ended December 31, 2022 and \$50,339 for December 31, 2021. These amounts are based on prepaid rent to be amortized to rent expense in future years. See note 4.

**9. LIQUIDITY AND AVAILABILITY**

Financial assets are considered to be available for general expenditure if there are no donor or other restrictions that would preclude use for general expenditures. At December 31, 2022 and 2021 financial assets available for general expenditure within one year are comprised of the following:

	<u>2022</u>	<u>2021</u>
Cash	\$401,876	\$606,101
Account receivable – IFGF Church	---	10,148
Account receivable	---	2,255
Investments	<u>350,453</u>	---
Total financial assets	752,329	618,504
Less: temporarily restricted net assets at year end	<u>(67,869)</u>	<u>(136,272)</u>
Total liquid assets available for general expenditures	<u>\$684,460</u>	<u>\$482,232</u>

To manage liquid assets WorldHarvest monitors cash balance in the various bank accounts and plans to not spend any reserves. WorldHarvest also anticipates This maintains cash balance sufficient to provide cash for all general expenditures for the year. The endowment funds of \$342,610 are a quasi-endowment as established by the board of directors and not an external donor so these funds can be used if needed.

**10. FAIR VALUE MEASUREMENTS**

Generally Accepted Accounting Principles require assets and liabilities subject to fair value reporting to be classified based on the type of inputs used to value the asset or liability. The three types are: valuations based on quoted market prices for identical assets exchanged in active markets (quoted prices), valuation inputs that are directly or indirectly observable in a market place (other market valuations), and inputs where there is no observable market place and therefore valuations are derived from the WorldHarvest’s internal information (non – market valuations). Valuations based on the three types of inputs for the years ended December 31, 2022 are:

**WORLDHARVEST**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**10. FAIR VALUE MEASUREMENTS**

<u>Description</u>	<u>Quoted Prices</u>	2022 <u>Market Valuations</u>	<u>Non – Market Valuations</u>
Equity funds	\$ 68,422	\$ ---	\$ ---
Federal savings bond	10,000	---	---
Exchanged funds	<u>\$272,031</u>	<u>\$ ---</u>	<u>\$ --</u>
Totals	<u>\$350,453</u>	<u>\$ ---</u>	<u>\$ ---</u>

**11. CONCENTRATIONS**

WorldHarvest maintains cash in banks located in Southern California. The deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000. Cash amounts of \$8,076 and \$87,210 were in excess of insurance limits based on bank balances for the year ended December 31, 2021 and 2021 respectively. At times during the years ended December 31, 2022 and 2021 amounts did exceed insured limits. In addition, approximately 27% of 2021 and 52% of 2021 donations came from California sources. In 2022 one individual gave approximately 15% of total income.

**12. ENDOWMENTS**

WorldHarvest has adopted the state of California version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). WorldHarvest’s management interprets California state law (UPMIFA) as requiring preservation of the fair value of the original gift of donor- restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WorldHarvest classifies as permanently restricted endowment funds 1) the original value of gifts donated to the permanent endowment and 2) the original value of subsequent gifts to the permanent endowment. Temporarily restricted endowment funds are the accumulated earnings of permanent endowments restricted for specified program activities and are available for spending on those programs. Unrestricted designated endowment assets are available for spending on the designated purposes.

In accordance with UPMIFA, WorldHarvest considers the following factors in making a determination of whether to invest or appropriate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of WorldHarvest and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of WorldHarvest
- 7) The investment policies of WorldHarvest

WorldHarvest has adopted investment and spending policies for endowment assets that are designed and intended to provide a stream of funding for programs while seeking to maintain the purchasing power of WorldHarvest’s endowment assets. As a result, endowment funds have been invested in the equity funds (\$68,422), exchanged traded funds (\$272,031) and cash in a bank (\$2,156) at December 31, 2022.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). Spending

**WORLDHARVEST**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

**12. ENDOWMENTS continued**

of underwater endowments will be approved by the board of directors on a as needed basis. When donor endowment deficits exist, they are classified as a reduction of the net category they occupy.

	Unrestricted <u>Designated</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Balance at December 31, 2021	\$ ---	\$ ---	\$ ---	\$ ---
Interest and dividends	3,560	--	---	3,560
Additions	350,000	---	---	350,000
Unrealized losses	(10,472)	---	---	(10,472)
Management fees	(478)	---	---	(478)
Balance at December 31, 2022	<u>\$342,610</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$342,610</u>

**13. EVALUATION OF SUBSEQUENT EVENTS**

WorldHarvest has evaluated subsequent events through March 4, 2023, the date which the financial statements were available to be issued, and there is one subsequent event to report.